

**SOUTH BEND REDEVELOPMENT COMMISSION  
RESCHEDULED REGULAR MEETING**

June 22, 2007

10:00 a.m.

Presiding: Marcia I. Jones, President

227 West Jefferson Boulevard

South Bend, Indiana

**1. ROLL CALL**

Members Present:

Ms. Marcia Jones, President  
Mr. Karl King, Vice President  
Mr. Greg Downes, Secretary  
Mr. Hardie Blake, Jr.  
Mr. Ken Peczkowski

Legal Counsel:

Mr. Charles S. Leone, Esq.

Redevelopment Staff:

Mr. Don Inks, Director  
Mrs. Cheryl Phipps, Recording Secretary  
Mr. Jeffrey Gibney, Executive Director  
Mr. Bill Schalliol, Economic Development Specialist  
Mr. Andrew Laurent, Economic Development Specialist  
Ms. Jennifer Laurent, Economic Development Specialist  
Mr. Nicholas Witwer, Economic Development Specialist

Others Present:

Ms. Jamie Loo, South Bend Tribune  
Ms. Rita Kopala  
Mr. Tom Price, Mayor's Office  
Mr. Dave Fecteau, Community Development  
Mr. Marco Mariani, DTSB  
Ms. Debrah Jennings, Property Manager  
Mr. Phil Byrd, South Bend Heritage Foundation  
Ms. GlendaRae Hernandez  
Mr. John Peddycord  
Mr. David Rafinsky, Wightman Petrie  
Mr. Lee Woodward  
Ms. Regina Emberton, CB Richard Ellis  
Mr. James Sharpe  
Ms. F.R. Sharpe  
Mr. Pat Beuman  
Ms. Eva Patterson

South Bend Redevelopment Commission  
Rescheduled Regular Meeting – June 22, 2007

**2. APPROVAL OF MINUTES**

**A. Approval of Minutes of the Rescheduled  
Regular Meeting of Friday, June 8, 2007.**

Upon a motion by Mr. King, seconded by Mr.  
Downes and unanimously carried, the Commission  
approved the Minutes of the Rescheduled Regular  
Meeting of Friday, June 8, 2007.

COMMISSION APPROVED THE MINUTES OF THE  
RESCHEDULED REGULAR MEETING OF  
FRIDAY, JUNE 8, 2007

**3. APPROVAL OF CLAIMS**

Redevelopment Commission Claims submitted June 22, 2007 for approval.

324 AIRPORT AEDA

Sopko, Nussbaum, Inabnit & Kaczmarek	76.50
Danch, Harner & Associates, Inc.	2,645.00
Ken Herceg & Associates, Inc.	25,086.00

414 SAMPLE EWING GENERAL

Mikolajewski & Associates, Inc.	1,053.00
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420 FUND TIF DISTRICT-SBCDA GENERAL

NIPSCO	82.01
CB Richard Ellis	3,317.73
Indiana Michigan Power	102.48
South Bend Water Works	344.86
Sopko, Nussbaum, Inabnit & Kaczmarek	2,633.18
Architecture Design Group	240.00

433 FUND IDE DEVELOPMENT

Sopko, Nussbaum, Inabnit & Kaczmarek	11,036.25
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\$	<u>46,617.01</u>
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Mr. Peczkowski questioned whether some claims were included in the total. Mr. Inks agreed they were late additions to the claims list and did not appear to have gotten added in. The total of the claims is \$46,617.01.

### 3. APPROVAL OF CLAIMS (CONT.)

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the Claims submitted June 22, 2007, and ordered checks to be released.

COMMISSION APPROVED THE CLAIMS  
SUBMITTED JUNE 22, 2007, AND ORDERED THE  
CHECKS TO BE RELEASED

### 4. COMMUNICATIONS

#### A. Communication from Anne Kolaczyk regarding the Eddy Street Commons Development.

COMMUNICATION FROM ANNE KOLACZYK  
REGARDING EDDY STREET COMMONS  
DEVELOPMENT

Mr. Inks noted that this Communication was received, though it is not related to a current agenda item. It expresses concerns about the density of the Eddy St. project and the preservation of the Notre Dame woods. It arrived by e-mail June 13, 2007. Ed and Anne Kolaczyk reside at 111 E. Pokagon.

*To: Members of the South Bend Plan Commission*

*As residents in the overall neighborhood affected by the Eddy Street Commons development, we were first excited by the idea of the college town area and then appalled by it as the plans grew from something charming to something totally out of proportion to the space available. It looks like the decision makers believe if some is good, more is better, and lots guarantees financial success. Greed always guarantees failure though. An over-built area will end up with empty store fronts, empty apartments and condos, and unrented hotel rooms—except on football weekends.*

*South Bend is not a densely built area, but one of open space and tree-lined streets. The downtown area certainly has many multi-storied buildings but it's hard to find many over three stories anywhere else in town. Instead, you see one and two story homes and businesses and wide expanses of lawns and gardens. How then can a densely built*

#### 4. COMMUNICATIONS (CONT.)

##### A. continued...

*development of four-story apartments and a six- or nine-story hotel fit in? The plan presented by the Kite Realty Group might be appropriate for New York or Chicago but not a city like South Bend. In fact, they have admitted they've never done something like this in a town like South Bend before. We don't need to be the steep part of their learning curve. The Commons should be a gentle transition from residential to the campus, not a piece of crowded urban landscape in the middle of a charming residential neighborhood. It should look more like South Bend's Miami Street business district, than Hyde Park in Chicago.*

*The loss of the Notre Dame Woods is of concern to us also. The small planned park-setting that the University is planning is fine but a landscaped park won't take the place of acres of woods with the underbrush that provides home to hundreds, if not thousands, of small animals. Animals that will roam our neighborhoods once the woods are destroyed. The University's park won't be large enough to provide the natural pollution filters that the woods provide, yet in their place will be even more pollution creators of buildings, blacktop and parking garages.*

*We've read that the city is excited about the tax prospects of such an area as more people live and spend in the city. Well, take it from ones who live in the neighborhood—many of the people interested in the area will be football weekend alumni. They will come for a half dozen weekends a year and the rest of the time the property will lie vacant and, other than the property taxes paid, nothing is added to the local economy. We have four such houses on our block alone (out of twelve homes), and they do not add to a neighborhood.*

#### **4. COMMUNICATIONS (CONT.)**

##### **A. continued...**

*We hope you will think long and hard about this development and what it really means to the community most affected by it. The people proposing this plan do not live here and have no plans to do anything but make money off of us. They have no stake in protecting and preserving our neighborhoods or our green spaces. Please don't be touched by their greed but keep the people of South Bend foremost in your decisions.*

#### **5. OLD BUSINESS**

Ms. Jones noted that Bill Schalliol delayed leaving on his vacation in order to attend this meeting. She asked that his items be moved up on the agenda to enable him to leave as soon as possible. There was no objection. Old Business was postponed and items 6.A. (1) and (2), 6.B. (1), (2), (3), (4), and 6.C. (1) and (2) were moved up on the agenda.

#### **6. NEW BUSINESS**

##### **A. Public Hearing**

- (1) Public Hearing on Resolution No. 2341 amending the Northeast Neighborhood Development Area Development Plan. (Adding AAYS property to acquisition list, 1129 South Bend Avenue)**

Mr. King disclosed that he is a member of the Board of Trustees of the Northeast Neighborhood Revitalization Organization. He has no financial or pecuniary interest in the Northeast Neighborhood Revitalization Organization (NNRO). He participates as a volunteer and understands that he has no conflict of interest that would prohibit him

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

from participating in the discussion or voting on these items. However, he did want to make that relationship known as there are a number of items on this agenda related to the NNRO's work in the Northeast Neighborhood Development Area.

Mr. Inks noted that the public hearing file is complete, containing the following items: (1) a copy of the Notice of Hearing; (2) a copy of Resolution No.2341; (3) an affidavit from Carol Smith, Advertising Director of the South Bend Tribune, that the Notice of Hearing was published in that newspaper on June 8, 2007; (4) an affidavit from Richard Andrysiak, Classified Manager of the Tri-County News, that the Notice of Hearing was published in that newspaper on June 8, 2007; (5) a statement from Bill Schalliol that affected property owners and registered neighborhood associations were notified of the Public Hearing by Memorandum on June 8, 2007; (6) as of 10:00 a.m., June 22, 2007 there were   0   written remonstrances received related to Resolution No.2341.

Mr. Schalliol noted that Resolution No. 2341 will amend the Northeast Neighborhood Development Area Plan by adding twelve parcels to its acquisition list. Seven are located at 1129 South Bend Avenue and presently include the office, showroom and warehouse for Aay's Rent-All Company, Inc. The other five parcels are five vacant lots adjacent to the business. A list of the tax key

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

numbers associated with each cluster is shown below.

***Tax Key #s for Aay's***

***Office/Showroom/Warehouse***

18 5099 3517, 18 5099 3518, 18 5099 3519,  
15 5099 3520, 18 5099 3521, 18 5099 3523,  
18 5099 3524

***Tax Key #s Aay's Vacant Land***

18 5099 3502, 18 5099 3504, 18 5099 3506,  
18 5099 3508, 18 5099 3509

Acquisition of these properties is consistent with the Development Plan's goals and objectives of removing inconsistent land uses, creating new residential development opportunities and neighborhood connectivity in the Northeast Neighborhood Development Area.

Staff requests approval of Resolution No. 2341.

Ms. Jones opened the Public Hearing for whoever wished to speak regarding Resolution No. 2341. There was no one who wished to speak regarding Resolution No. 2341. Ms. Jones closed the Public Hearing for whatever action the Commission wished to take.

PUBLIC HEARING ON RESOLUTION NO. 2341

Mr. Peczkowski asked the total acreage to be acquired. Mr. Schalliol responded that it's about 1.5 acres.

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(2) Commission approval requested for Resolution No. 2341.**

Upon a motion by Mr. Downes, seconded by Mr. King and unanimously carried, the Commission approved Resolution No. 2341 amending the Northeast Neighborhood Development Area Development Plan. (Adding AAYS property to acquisition list, 1129 South Bend Avenue)

COMMISSION APPROVED RESOLUTION No. 2341  
AMENDING THE NORTHEAST NEIGHBORHOOD  
DEVELOPMENT AREA DEVELOPMENT PLAN.  
(ADDING AAYS PROPERTY TO ACQUISITION  
LIST, 1129 SOUTH BEND AVENUE)

Mr. King noted that he has been involved working in the Northeast Neighborhood Development Area since he was a Councilman for the area in 1998. He worked extensively during that time with the Sharpes, owners of Aays Rent-All. You couldn't ask for people who were better neighbors and more supportive of neighborhood revitalization. He commended their years of service in support of the neighborhood and their willingness to be inconvenienced by selling their property to further the revitalization of the neighborhood.

**B. Northeast Neighborhood Development Area**

**(1) Commission approval requested for proposal for professional services in the Northeast Neighborhood Development Area. (Appraisals, AAY's acquisition, 1129 South Bend Avenue)**

Mr. Schalliol noted that the acquisition of Aay's Rent-All requires appraisals and title work. Proposals were received from Jerome Michaels in the amount of \$3,500 and from



**6. NEW BUSINESS (CONT.)**

**B. Northeast Neighborhood Development Area**

**(1) continued...**

Rick Pitts in the amount of \$950. For Rick Pitts, the appraisals would be update appraisals. Two appraisals are required for acquisition. Staff recommends accepting both proposals.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the request for proposals for appraisal services and accepted the proposals from Jerome Michaels and Rick Pitts for the scope of services proposed and an amount not to exceed \$4,600.

COMMISSION APPROVED THE REQUEST FOR PROPOSALS FOR APPRAISAL SERVICES AND ACCEPTED THE PROPOSALS FROM JEROME MICHAELS AND RICK PITTS FOR THE SCOPE OF SERVICES PROPOSED AND AN AMOUNT NOT TO EXCEED \$4,600

**(2) Commission approval requested for proposal for professional services in the Northeast Neighborhood Development Area. (Title work, AAY's acquisition, 1129 South Bend Avenue)**

Mr. Schalliol noted that a proposal has been received from Meridian Title to perform the title work for \$150. Staff recommends accepting the proposal.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the request for proposal for title work and accepted the proposal from Meridian Title for the scope of services and fee proposed.

COMMISSION APPROVED THE REQUEST FOR PROPOSAL FOR TITLE WORK AND ACCEPTED THE PROPOSAL FROM MERIDIAN TITLE FOR THE SCOPE OF SERVICES AND FEE PROPOSED

**(3) Commission approval requested for Resolution No. 2349 related to acquisition of property in the Northeast Neighborhood Development Area.**

**6. NEW BUSINESS (CONT.)**

**B. Northeast Neighborhood Development Area**

**(3) continued...**

**(authorizing a purchase offer and setting the offering price for AAYs, 1129 South Bend Avenue)**

Mr. Schalliol noted that Resolution No. 2349 authorizes the sending of a purchase offer for the Aay's Rent-All property and sets the offering price for the purchase of twelve properties generally located at 1129 South Bend Avenue. These properties will be used to facilitate the redevelopment of the Triangle Neighborhood within the Northeast Neighborhood Development Area. These are the same properties added to the acquisition list earlier in the meeting.

The average appraised value for the seven commercial lots is \$539,000.00. The average appraised value for the five vacant lots is \$22,750.00. The combined value for the twelve parcels is \$561,750.00.

Staff requests approval of Resolution No. 2349.

Upon a motion by Mr. Downes, seconded by Mr. King and unanimously carried, the Commission approved Resolution No. 2349 related to acquisition of property in the Northeast Neighborhood Development Area. (Aay's Rent-All)

COMMISSION APPROVED RESOLUTION No. 2349  
RELATED TO ACQUISITION OF PROPERTY IN THE  
NORTHEAST NEIGHBORHOOD DEVELOPMENT  
AREA. (AAY'S RENT-ALL)

**6. NEW BUSINESS (CONT.)**

**B. Northeast Neighborhood Development Area**

**(4) Staff report on acquisition of property in the Northeast Neighborhood Development Area. (Counter offer from AAYS)**

Mr. Schalliol noted that the Sharpes had their own appraisal done. Taking that appraisal and other neighborhood factors into consideration they have submitted a counter offer through their attorney, John Peddycord, in the amount of \$780,000. The counter offer has been reviewed by several parties. Staff recommends accepting the counter offer.

Mr. King made a motion that the counter offer from Sharpe Real Estate Company LLC in the amount of \$780,000 for seven parcels known as Aay's Rent-All (1129 South Bend Avenue) and five adjacent vacant lots be accepted. Mr. Downes seconded the motion. The vote was four to one with Mr. Peczkowski opposed. The motion carried.

COMMISSION ACCEPTED THE COUNTER OFFER FROM SHARPE REAL ESTATE COMPANY LLC IN THE AMOUNT OF \$780,000 FOR SEVEN PARCELS KNOWN AS AAY'S RENT-ALL (1129 SOUTH BEND AVENUE) AND FIVE ADJACENT VACANT LOTS

**C. South Bend Central Development Area**

**(1) Commission approval requested for Contract for Sale of Land with Jerid Enterprises LLC in the South Bend Central Development Area. (817 and 903 E. Sample St., former Art Mosaic property)**

Mr. Schalliol noted that at its June 8 meeting the Commission approved the sale of the Art Mosaic Tile property to Jerid Enterprises. The Contract for Sale reflects all the terms already agreed to by both parties and is signed by Jerid Enterprises.

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(1) continued...**

Upon a motion by Mr. Downes, seconded by Mr. Peczkowski and unanimously carried, the Commission approved the Contract for Sale of Land with Jerid Enterprises LLC in the South Bend Central Development Area. (817 and 903 E. Sample St.)

COMMISSION APPROVED THE CONTRACT FOR SALE OF LAND WITH JERID ENTERPRISES LLC IN THE SOUTH BEND CENTRAL DEVELOPMENT AREA. (817 AND 903 E. SAMPLE ST.)

**(2) Staff report on disposition of property in the South Bend Central Development Area. (Wightman Petrie Letter of Interest, 412 S. Lafayette Blvd., former Enzyme Research property)**

Mr. Schalliol noted that at its June 8 meeting the Commission received a Letter of Interest from Wightman Petrie concerning the Commission's sale of 412 S. Lafayette Blvd. Staff is working to finalize negotiations with Wightman Petrie and intends to present a proposal to the Commission at its July 20 meeting when the 30-day waiting period will have expired and the Commission can consider an offer less than the minimum offering price when it went to bid.

Wightman Petrie is interested in acquiring the property and converting it to a corporate office for the South Bend operations of Wightman Petrie, a multi-disciplinary firm. The building will need internal renovation to convert space into offices and work areas for the different teams. The building will require major roof repair, mechanical work, and some exterior renovations to make the building secure. Therefore, Wightman Petrie has offered \$131,000 for the property instead

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(2) continued...**

of the \$262,500 required at the  
Commission's offering.

The manufacturing company adjacent to  
Wightman Petrie's current location intends to  
purchase that current location in order to  
expand its operations. Wightman Petrie must  
be out of that building by August 1.

In anticipation of the Commission accepting  
their \$131,000 offer, Wightman Petrie has  
requested access to the 412 S. Lafayette site  
to begin renovations which would allow  
them to move in by August 1. They  
understand that any money and effort  
expended before the Commission accepts  
their offer is at risk. Staff recommends  
allowing them access to the building to begin  
renovations, subject to their signing an  
indemnification agreement.

Upon a motion by Mr. King, seconded by  
Mr. Downes and unanimously carried, the  
Commission indicated its approval of the  
project and authorized Wightman Petrie  
immediate access to 412 S. Lafayette for  
renovations, subject to submission of a  
signed indemnification agreement.

COMMISSION INDICATED ITS APPROVAL OF THE  
WIGHTMAN PETRIE PROJECT AND AUTHORIZED  
THEIR IMMEDIATE ACCESS TO 412 S. LAFAYETTE  
FOR RENOVATIONS, SUBJECT TO SUBMISSION OF  
A SIGNED INDEMNIFICATION AGREEMENT

**5. OLD BUSINESS**

**A. Sample-Ewing Development Area**

- (1) Commission approval requested for  
Resolution No. 2339 a supplemental  
appropriation resolution of the City of**

**5. OLD BUSINESS (CONT.)**

**A. Sample-Ewing Development Area**

**(1) continued...**

**South Bend Redevelopment Commission.  
(Sample-Ewing Development Area)**

Mr. Inks noted that the public hearing on Resolution No. 2339 was held on June 8, 2007. Commissioners have the minutes of the June 8 meeting, including comments and discussion made during the public hearing. Resolution No. 2339 appropriates \$239,993, \$214,993 for debt service in the Sample-Ewing Development Area and \$25,000 for demolition of a building in the Lincolnway-Sample area. The building to be demolished is adjacent to the Southeast Park. It is vacant and needs to be demolished before it becomes a hazard.

Mr. Inks noted that this appropriation brings the total appropriation for the Sample-Ewing Development Area in 2007 to \$1,025,622.

Mr. Peczkowski: The original appropriation was made on January 19, 2007. In four and a half months we're asking for a 30% increase over what was originally appropriated. Am I to assume that this isn't done yet? That this is just June and we're going to see more?

Mr. Inks: It's unlikely that we'll see more this year. In January we appropriated all of the anticipated revenue sources that we had for the Sample-Ewing Development Area. Since that time we collected additional revenue that we didn't anticipate. Those are the funds we are asking to appropriate now. We did the original appropriation, knowing

**5. OLD BUSINESS (CONT.)**

**A. Sample-Ewing Development Area**

**(1) continued...**

that the amount would not be sufficient to cover all the debt service payments in the Sample-Ewing Development Area. We had made arrangements with the Controller's Office and the Common Council to have additional funds appropriated from other city sources to cover those debt service payments. Now, since we have an unanticipated revenue source, we're asking to have those funds appropriated and used for debt service payments, in lieu of tapping other city resources.

Mr. Peczkowski: What's the source of this?

Mr. Inks: The payment of penalties on the AJ Wright project.

Mr. Downes made a motion to approve Resolution No. 2339. Mr. King seconded the motion. The vote was four to one with Mr. Peczkowski opposed.

COMMISSION APPROVED RESOLUTION No. 2339  
A SUPPLEMENTAL APPROPRIATION RESOLUTION  
OF THE CITY OF SOUTH BEND REDEVELOPMENT  
COMMISSION. (SAMPLE-EWING DEVELOPMENT  
AREA)

**B. South Bend Central Development Area**

**(1) Commission approval requested for Agreement for Services by and between the City of South Bend, Department of Redevelopment, acting by and through the South Bend Redevelopment Commission and Downtown South Bend, Inc.**

Mr. Inks noted that this agreement was tabled at the May 8, 2007 meeting. Since that time there have been some changes made to the one presented at that time: Section 4.

**5. OLD BUSINESS (CONT.)**

**B. South Bend Central Development Area**

**(1) continued...**

Compensation, B. Shared Parking Lot Fees was revised to make it more clear that maintenance of the lots is to be the first use of those funds; any remaining revenues from the lots may be retained by DTSB and used as a management fee. Also, a new Exhibit D was added that outlines the specific responsibilities related to maintenance of the parking lots. Another change was that in Exhibit B there has been a change in the insurance requirements on page 17, paragraph 19 to \$700,000 for any one person and not less than \$5,000,000 for any one incident. The previous levels were \$500,000 and \$3,000,000. These levels are prescribed by state law. They change effective January 2008 and since this contract will be in effect at the beginning of the year, we wanted this contract to reflect those requirements.

Mr. Peczkowski asked what Mr. Leone's findings were related to conflict of interest and Commission members' position on the DTSB board of directors. Mr. Leone responded that two Commission members were serving as board members of DTSB. They have both resigned those positions. Their purported conflict of interest was where there might have been conflicting loyalties rather than ones involving pecuniary interests. Simple resignation from DTSB is sufficient to resolve that issue.

Mr. Peczkowski asked if he was sure that is the case under Indiana law. Mr. Peczkowski understood there was a one year minimum



**5. OLD BUSINESS (CONT.)**

**B. South Bend Central Development Area**

**(1) continued...**

waiting requirement. Mr. Leone responded that that wait is designated under the portion of Indiana Code that deals with Profiteering from Public Service. It prohibits an individual who exercises control over a contract or purchase with an agency from then leaving government service and profiting from that contract on the outside. If there were a contract that this Commission were to approve and any of the Commissioners were to step outside, to be employed or have an interest in that contract within a one year time period, that would violate this particular statute. Mr. Leone doesn't see that in this situation.

Mr. Peczkowski: Competitive bidding requirements, pg 6, Article K. Especially in respect to this issue, the \$275,000 primarily for beautification projects, have competitive bids been taken on that? Mr. Inks did not know.

Mr. Peczkowski: There was a Center for the Homeless bid that was offered to do the same services at substantial savings. I've not heard whether it was for comparable services. Even if it wasn't, why weren't other competitive bids entertained?

Mr. Leone: I don't know whether or not that has happened. This contract does have auditing provisions that are new and will be in similar contracts going forward that will provide the Controller's office the ability to audit the financials and the performance

**5. OLD BUSINESS (CONT.)**

**B. South Bend Central Development Area**

**(1) continued...**

under the agreement. That adds a level of protection for the Commission.

Mr. Peczkowski: It looks to me like we're doing \$222,000. That's in granite here in the offer and \$48,000 for streetscape and \$5,000 for business recruitment. Plus, item types mentioned at the bottom. Regarding the \$222,000 offer, who is doing the work and why wasn't that competitively handled?

Mr. Leone: It's a different issue here. The competitive bidding that this requires is to the extent that these funds are used, are contracted out by DTSB, there must be competitive bidding. It's not this contract itself that's being competitively bid. It is the use of funds under this agreement that must be competitively bid.

Mr. King: I understand from reading in the newspaper that the South Bend Common Council actually took an action to appropriate this amount of money to DTSB. So, that's a decision that's already been made by the legislative body. I'm thinking that all we're doing here now is settling on the terms of the agreement of what we get for the money.

Mr. Inks: What the Council approved is COIT funds. This is the TIF funding that the Commission has appropriated this year.

Mr. King: So, this is separate from the Council's. Yes.

**5. OLD BUSINESS (CONT.)**

**B. South Bend Central Development Area**

**(1) continued...**

Mr. Peczkowski: The other one was \$275,000, for a total package of a half million.

Mr. Blake made a motion to approve the Agreement for Services by and between the City of South Bend, Department of Redevelopment, acting by and through the South Bend Redevelopment Commission and Downtown South Bend, Inc. Mr. Downes seconded the motion. The vote was four to one. Mr. Peczkowski was opposed. The motion passed.

COMMISSION APPROVED THE AGREEMENT FOR SERVICES BY AND BETWEEN THE CITY OF SOUTH BEND, DEPARTMENT OF REDEVELOPMENT, ACTING BY AND THROUGH THE SOUTH BEND REDEVELOPMENT COMMISSION AND DOWNTOWN SOUTH BEND, INC.

**6. NEW BUSINESS (CONT.)**

**B. Northeast Neighborhood Development Area**

**(5) Commission approval requested for Agreement for Services by and between the City of South Bend, Department of Redevelopment, acting by and through the South Bend Redevelopment Commission and Northeast Neighborhood Revitalization Organization, Inc.**

Mr. Inks noted that the term of the agreement is for calendar years 2007 and 2008. The amount is \$62,500. It has a reporting requirement for quarterly status reports and it provides a listing of services, all of which are related to acquisition, relocation, and demolition of property in the Triangle area of the Northeast Neighborhood. It also requires maintenance of those properties in that area. There is a project budget attached that details

**6. NEW BUSINESS (CONT.)**

**B. Northeast Neighborhood Development Area**

**(5) continued...**

how \$937,500 will be spent on acquisition, relocation and demolition in the area. These funds will not actually go to the NNRO. The NNRO is providing services to the Redevelopment Commission for a fee of \$62,500. The Commission will disburse funds related to this project budget, but it will be facilitated by the NNRO.

These funds have been appropriated by the South Bend Common Council for a total of \$1,000,000 to conduct these activities. This contract authorizes the NNRO to work on the Commission's behalf to negotiate, relocate, demolish, etc.

Mr. Leone noted that the Commission may be seeing more of this type of agreement. This is a new structure instead of what's been done in the past where money has gone to organizations to acquire and dispose of property. Going forward the Commission will be the body that goes through the acquisition process using its normal procedures. The contract will be for services only to facilitate the Commission's processes.

Mr. Peczkowski: Do we supply office space for the NNRO?

Mr. Inks: We don't pay directly for office space. The City, through the Common Council, appropriates \$75,000 annually to fund the NNRO's administration budget. But that is in conjunction with a number of other

**6. NEW BUSINESS (CONT.)**

**B. Northeast Neighborhood Development Area**

**(5) continued...**

institutions that are providing significant amounts of funding for the NNRO. So, we pay a share of their admin budget, but it's a minority share.

Mr. Peczkowski: I notice that as a provider address they list 803 Lincolnway West. Is that the site of their offices?

Mr. King: That is the address of South Bend Heritage Foundation which shares offices with the NNRO.

Mr. Peczkowski: The requested services in Exhibit A. We are really giving them \$62,500 to essentially do A & B because C through H are the other monies?

Mr. Inks: No, they will be doing all of these services, including the negotiation of purchase price, the closing of purchase transactions, the relocation (they will work with the occupants to determine what relocation benefits are appropriate). They will then supply us with the documentation so that we can process a claim to pay those relocation expenses. They will do all of the services, listed, but the final payment of any of these will go through the Redevelopment Commission. They will be acting almost as staff to the Redevelopment Commission for the completion of these activities.

Mr. Peczkowski: Which of our offices are not able to do that coordination? I'm trying to understand why the NNRO is being hired

**6. NEW BUSINESS (CONT.)**

**B. Northeast Neighborhood Development Area**

**(5) continued...**

to be the coordinator when it seems like this is something that should be done in house.

Mr. Inks: Two reasons. (1) The NNRO is intimately familiar with the neighborhood and the individuals there. They are in a unique position to negotiate and acquire the properties. (2) We have limited staff capacity in the department. While we can do an acquisition or two of properties here and there, this project involves over 80 parcels of property to be acquired over a short period of time. It is beyond our capacity to actually go out and negotiate these transactions.

Mr. Peczkowski: In Appendix A to Exhibit C on pg 16, what's the rationale for using COIT funding for the \$937,500? Plus, in note 1, all these other possibilities of estimated costs are going to add another \$933,000. Why is that included as just a note? It seems like it's doubling the total.

Mr. Inks: It is not doubling the total. It was intended to be, since there is at least \$82,500 that is not specifically targeted to a specific property, we know the properties that need to be acquired, we know the properties that need to be demolished, and where the relocation costs will be, but we know we cannot fund them all. As you negotiate in any situation, you are not exactly sure of the order in which you may be able to acquire properties or demolish them or relocate people. What we've done is provide a total list of everything that needs to be done. To

**6. NEW BUSINESS (CONT.)**

**B. Northeast Neighborhood Development Area**

**(5) continued...**

the extent that they can acquire a property that is identified here and that there are funds available in the contract, they can use it to do that activity. It does not increase the amount.

Mr. Peczkowski: It's in essence a wish list.  
Mr. Inks agreed.

Mr. Downes made a motion to approve the Agreement for Services by and between the City of South Bend, Department of Redevelopment, acting by and through the South Bend Redevelopment Commission and Northeast Neighborhood Revitalization Organization, Inc. Mr. Blake seconded the motion. The vote was four in favor with Mr. Peczkowski abstaining. The motion carried.

COMMISSION APPROVED THE AGREEMENT FOR SERVICES BY AND BETWEEN THE CITY OF SOUTH BEND, DEPARTMENT OF REDEVELOPMENT, ACTING BY AND THROUGH THE SOUTH BEND REDEVELOPMENT COMMISSION AND NORTHEAST NEIGHBORHOOD REVITALIZATION ORGANIZATION, INC.

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area  
continued...**

**(3) Staff report on disposition of property in the South Bend Central Development Area. (Letter of Intent on behalf of Christian Science Reading Room to lease 129 S. Michigan St.)**

Ms. Laurent noted that a Letter of Intent was submitted by CB Richard Ellis, the Commission's agent for leasing and management of the Michigan Street Shops, on behalf of the Christian Science Reading Room. The First Church of Christ, Scientist,

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(3) continued...**

proposes to lease the available space at 129 S. Michigan, next door to Quizno's for a five year term. Correspondence from Lee Woodward, Board Chairman, is included with the Letter of Intent for your review which outlines the background of the Christian Science denomination, the premise of the outreach centers located in cities throughout the world, their reasons for relocation within the downtown and how they propose to use the new space, including hours of operation, layout and the welcoming, contemplative study atmosphere they wish to create. Staff believes the use to be one that will contribute to the diversity of service and retail uses along Michigan Street.

The Reading Room operates as a retail bookstore, but is not intended to be financially self supporting; instead it is funded as a fixed budget item from the finances of the First Church of Christ, Scientist, located at 1237 N Ironwood, South Bend. It will be the responsibility of the tenant to apply for any applicable nonprofit exemptions for property tax assessment for the lease interest.

Staff recommends accepting the Letter of Intent and authorizing staff to begin negotiation of a lease which will be brought back to the Commission for approval.

Mr. Peczkowski asked if they plan on applying for nonprofit exemptions on taxes. Ms. Laurent responded that the issue was



**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(3) continued...**

addressed in the Letter of Intent. Taxes are included in the CAM charges.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission accepted the Letter of Intent from Christian Science Reading Room for 129 S. Michigan St. and authorized staff to negotiate terms of a lease.

COMMISSION ACCEPTED THE LETTER OF INTENT FROM CHRISTIAN SCIENCE READING ROOM FOR 129 S. MICHIGAN ST. AND AUTHORIZED STAFF TO NEGOTIATE TERMS OF A LEASE.

**(4) Staff report on disposition of property in the South Bend Central Development Area. (Vacant lot next to Commerce Center, east and adjacent to 312 E. LaSalle)**

Ms. Laurent noted that the Commission owns a parcel of land described as a vacant lot east and adjacent to 312 E LaSalle St., about .135 acres.

Resolution No. 2322 set the fair market reuse value of the property at \$9,400. Bid specifications were issued and advertised for receipt on May 4, 2007. No bids were received.

Staff has had conversations regarding the property with CB Richard Ellis representatives, agents for Tycore, Ltd., the owner of the Commerce Center building and several parcels comprising its surrounding surface parking lots. Tycore wishes to acquire the parcel and incorporate it into an overall parking improvement plan to serve the building.

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(4) continued...**

The property was originally purchased with tax exempt bond proceeds. Legal counsel has advised that to receive payment for the property from a private entity for its sole use would potentially be a breach of the bond covenants, which would need to be repaid. In consideration of the relatively nominal valuation of the property, as well as in consideration of the overall investment Tycore plans to bring to the Commerce Center building and perimeter improvements, it has been determined that it would be appropriate and in the best interest of the Commission to dedicate this property to Tycore's ownership without remuneration.

Staff requests your approval of the tendered offer for acquisition by Tycore, Ltd. and your direction to legal counsel to begin drafting a contract, which would be brought forward for your approval at a subsequent meeting.

Mr. Peczkowski noted that he sees a pattern of selling Commission owned properties at below market value, or in some cases for free. Maybe we shouldn't be in the business of investing in properties in the first place. Ms. Laurent responded that government doesn't see it as an investment in the typical sense. We're investing in the broader picture of the downtown.

Mr. Downes made a motion to dedicate the vacant lot east of 312 E. LaSalle to Tycore, Ltd. for no remuneration. Mr. Blake seconded the motion. The vote was four in

COMMISSION AGREED TO DEDICATE THE  
VACANT LOT EAST OF 312 E. LASALLE TO  
TYCORE, LTD. FOR NO REMUNERATION

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(4) continued...**

favor. Mr. Peczkowski abstained. The motion carried.

**(5) Staff report on consultant proposals for East Bank Master Plan.**

Mr. Gibney noted that the Commission is about to begin a strategic planning process for the East Bank area. The planning process will take place in two phases: the first phase will address an area bounded by LaSalle (N), Jefferson (S), St. Joseph River (W) and Hill St. (E). We sent Requests for Proposal (RFPs) to many professional planning organizations and received five proposals ranging in price from \$49,000 to \$185,000. During review staff looked for experience and projects completed. Two proposals were provided to Commissioners for review: JJR out of Chicago and Edge out of Memphis, Tennessee. Staff recommends accepting the proposal from JJR. JJR is currently doing the planning for the St. Joseph Regional Medical Center site for the NNRO. We have been very pleased with the planning that has taken place so far for that. Their proposal says that all stakeholders will be part of the planning process. The process would begin July 1 and be completed in September. Edge is a very new organization with a much smaller portfolio of successful planning projects and the diversity of professionals on the Edge team is much more limited. The planning process will be facilitated by the Holladay Corp at no fee to the city. Phase 2 will be for an area from Jefferson to the Transpo site. A

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(5) continued...**

separate proposal will be solicited for that phase as soon as phase 1 is completed.

Mr. Gibney noted that there are on file a few other planning documents prepared over the last five years. The planning that has taken place to date has not built consensus among the property owners on the East Bank. We want to be sure to build consensus because now is the time to plan for the East Bank area, especially in light of the development that Kite is doing at Eddy St. and the potential development at the St. Joseph Regional Medical Center site, and the South Bend Clinic.

Staff recommends accepting the proposal from JJR for \$49,000.

Mr. King asked if any recommendation stemming from this report would be JJR's recommendation, not Holladay's. Mr. Gibney responded that that is correct.

Mr. King asked if the Commission would be the body to consider adopting the recommendations as a "plan." Mr. Gibney responded that it would.

Upon a motion by Mr. King, seconded by Mr. Gibney and unanimously carried, the Commission accepted the proposal from JJR for an East Bank Master Plan for a fee of \$49,000.

COMMISSION ACCEPTED THE PROPOSAL FROM  
JJR FOR AN EAST BANK MASTER PLAN FOR A  
FEE OF \$49,000

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

- (6) Commission approval requested for Engagement Letter with May Oberfell Lorber for legal services related to the Key S.B. project.**

Mr. Inks noted that several weeks ago the city's Legal Department was not able to handle the Redevelopment workload, so we used outside counsel for some projects. We have some other engagement letters in place with Baker & Daniels and Dick Nussbaum. We had May Oberfell Lorber prepare some documents for the KeyBank project and the for the former School Corporation Admin building. Staff recommends accepting the Engagement Letters from May Oberfell Lorber for both projects.

Mr. Downes made a motion to approve the Engagement Letter with May Oberfell Lorber for legal services related to the Key S.B. Project. Mr. King seconded the motion. The vote was four to one. Mr. Peczkowski was opposed. The motion carried.

COMMISSION APPROVED THE ENGAGEMENT LETTER WITH MAY OBERFELL LORBER FOR LEGAL SERVICES RELATED TO THE KEY S.B. PROJECT

- (7) Commission approval requested for Engagement Letter with May Oberfell Lorber for legal services related to the former South Bend Community School Corporation Administration Bldg. reuse project.**

Upon a motion by Mr. Downes, seconded by Mr. Peczkowski and unanimously carried, the Commission approved the Engagement Letter with May Oberfell Lorber for legal services related to the former South Bend Community School Corporation Administration Bldg. reuse project.

COMMISSION APPROVED THE ENGAGEMENT LETTER WITH MAY OBERFELL LORBER FOR LEGAL SERVICES RELATED TO THE FORMER SOUTH BEND COMMUNITY SCHOOL CORPORATION ADMINISTRATION BLDG. REUSE PROJECT

**6. NEW BUSINESS (CONT.)**

**D. Sample-Ewing Development Area**

There was no business in the Sample-Ewing Development Area.

**E. Airport Economic Development Area**

There was no business in the Airport Economic Development Area.

**F. South Bend Medical Services District**

There was no business in the South Bend Medical Services District.

**G. West Washington-Chapin Development Area**

There was no business in the West Washington-Chapin Development Area.

**H. South Side Development Area**

There was no business in the South Side Development Area.

**I. Douglas Road Economic Development Area**

There was no business in the Douglas Road Economic Development Area.

**7. PROGRESS REPORTS**

Mr. Inks noted that the demolition at the South Bend Stamping Plant by contract is scheduled to be complete by July 13. The contractor believes they are a little ahead of schedule and may be done by June 29.

**PROGRESS REPORTS**

Mr. Inks also noted that the Environmental Protection Agency (EPA) is beginning cleanup on the South Bend Lathe building, funded with EPA money. They will be

**7. PROGRESS REPORTS (CONT.)**

removing underground storage tanks, transformers and miscellaneous barrels and environmental issues on the rest of the property.

Mr. Blake noted that he had moved to approve the DTSB contract, but he wants to be sure they use competitive bidding for the work they hire out. The other Commissioners agreed and were confident the audit requirements would guarantee compliance as long as they are thorough and detailed audits.

**8. NEXT COMMISSION MEETING**

Ms. Jones noted that the Commission does not have a quorum for its July 6 meeting. Therefore, the next meeting of the Redevelopment Commission is its Regular Meeting of Friday, July 20, 2007 at 10:00 a.m.


NEXT COMMISSION MEETING

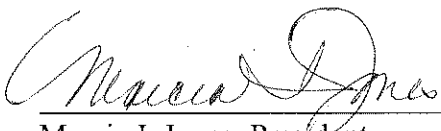
Mr. Inks asked permission to reschedule the Public Hearings that were to be held on July 6 to July 20. Permission was granted.

**9. ADJOURNMENT**

There being no further business to come before the Redevelopment Commission, the meeting was adjourned at 10:50 a.m.

ADJOURNMENT

  
\_\_\_\_\_  
Donald E. Inks, Director

  
\_\_\_\_\_  
Marcia I. Jones, President

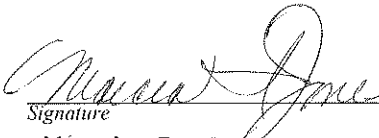
South Bend Redevelopment Commission  
Rescheduled Regular Meeting – June 22, 2007

**EXECUTIVE SESSION**

**June 22, 2007**

The South Bend Redevelopment Commission met in Executive Session on Friday, June 22, 2007, at 9:15 a.m. The meeting was held in Room 1200 County-City Building, 227 West Jefferson, South Bend, Indiana, for the purposes specified in I.C. 5-14-1.5-6.1(b)(2)(D). Commissioner's Present: Marcia Jones, President; Karl King, Vice President; Greg Downes, Secretary; Hardie Blake, Ken Peczkowski. Others Present: Jeff Gibney, Executive Director, Community & Economic Development, Don Inks, Director, Economic Development, Attorney Charles Leone, Bill Schalliol, Nick Witwer, Andy Laurent, and Jennifer Laurent. The Commission certifies that no topic was discussed other than the subject matter specified in the Public Notice. The Executive Session was adjourned at 10:00 a.m.

**CITY OF SOUTH BEND,  
DEPARTMENT OF REDEVELOPMENT**

  
*Signature*  
Marcia I. Jones, President  
*Printed Name and Title*

**South Bend Redevelopment Commission**